

The American Alliance of Service Providers on behalf of it's 754 Member Internet Service Providers (ISPs) and their 7 million plus end users in the United States would like to comment on the recent actions of the FCC and some of the filings by other parties.

1. Regarding DSL and the ability for shared use of copper owned by the major Bells.

A. The Telecommunications act of 1996 was designed to break up monopolies and add competition to the Telecommunications Industry. This act in turn created competition within the industry and has created many new companies and businesses. With the Bells filing and getting legislation to basically roll back the 1996 Telecommunications act so they do not need to share their lines for DSL and possibly other forms of copper wire and fiber communications transfer, there is a need to look at the consequences that this may lead to. Lets consider that they are successful at doing this, what would the consequences be?

i. This would lead basically to a monopoly in the DSL arena where by the Bells would be the only companies offering this product to the American public. There are four major companies in the United States that would be offering this product, but each of them has their own territory that they cover, therefore no competition for them for DSL and possibly other services. Would prices for these services remain low or would they rise because of lack of competition?

ii. Take this to the next level and this then has the effect of putting other companies out of business, numbering in the thousands. Lets take a look at the domino effect that this will have. There are over 4500 ISPs in the United States. These would within several years fail because they could not compete. There are thousands of companies that supply products and services to these ISPs, and they would be the next to fall because they would no longer have a customer base to sell to. We would not be looking at a few hundred jobs being lost but hundreds of thousands of jobs being lost, not only in small business but also in fortune 500 companies as well. This would have serious effects on the US economy and its tax base, which could have serious ramifications upon our country as a whole. This could lead to the government having to downsize because of loss of tax revenue. In this day and age in our country we should be looking to create more jobs to spur the economy, not lose them.

iii. A better approach to this would be to find ways to spur competition within the industry. This would have the opposite effect by creating more jobs and the growth of new companies within the industry. This would increase the tax base and would promote the growth of the US economy, instead of lining the pockets of a few very large corporations. Have you looked at these scenarios and determined what the outcome could be in the long term of things? Who is guiding your decisions on these matters and do they have their own agenda, which may in some way lead to their own material gain? Are the decisions being made really in the best interest of the US public that you have the responsibility to protect and service their best interests?

We will be posting this to our Membership and asking them to pass this on to their end users. Any replies that you may want to make will also be passed on to the same parties.

"Independent ISPs working together DO make a difference!"

Sincerely,

Russ Ferguson
President/CEO
American Alliance of Service Providers
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